

place. Business population estimates are not available by State or region for years earlier than 1944; however 1939, as well as 1947 or 1948, counts of establishments are available from the Bureau of the Census for four major industry divisions which, in 1948, accounted for nearly four-fifths of the total business population.

The Business Population in 1951

Regional and State information on the business population is best appraised against the background of the situation in the business population for the country as a whole. Previous articles on the business population have shown the close correlation which existed before World War II between

the total number of firms in operation and business activity as measured by deflated gross national product originating in private nonfarm business, after adjusting for a small systematic trend influence.^{*} During the war the number of firms in operation decreased despite increased business activity, and by the end of 1943 a "deficit" of 770,000 firms or 20 percent had developed between the actual business population and the number of firms expected on the basis of the above past relationship with deflated gross national product.

^{*} The linear least square regression equation for the years 1939-40 and 1948-49 is $Y = 2.0224 - 11.79X + 0.58X^2$, where Y = number of firms (thousands); X = gross national product excluding government and agriculture (billions of 1939 dollars); and t = time in 6-month intervals centered at December 31, 1939. See Sawyer articles, "The Postwar Business Population," January 1947, "Industrial Patterns of the Business Population," May 1948, and "Revised Estimates of the Business Population," June 1949.

PERCENT CHANGE IN NUMBER OF FIRMS IN OPERATION, MARCH 31, 1948, TO MARCH 31, 1951, BY MAJOR INDUSTRY DIVISIONS AND BY REGIONS

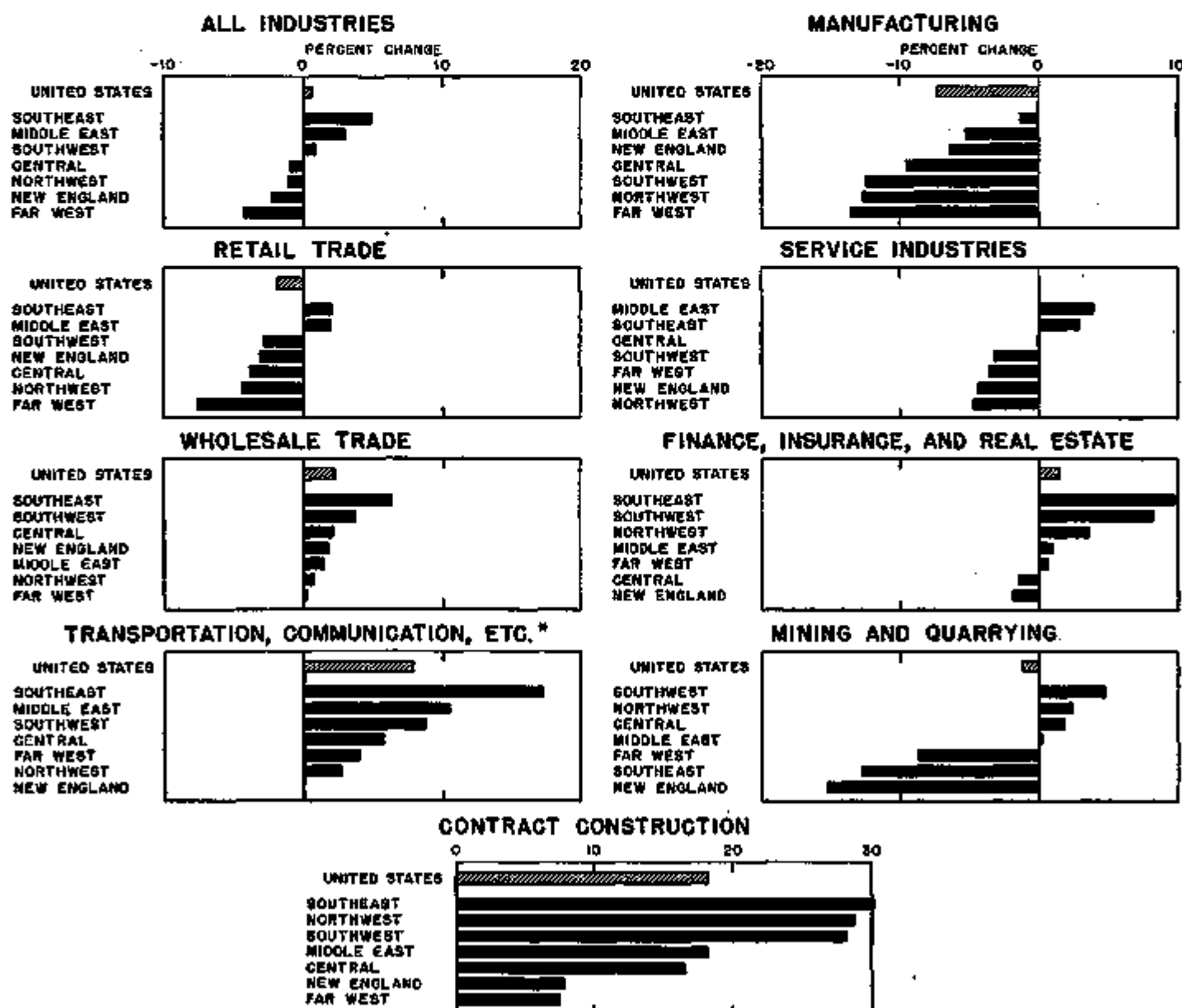


Table 1.—Number of Firms in Operation, March 31, 1944-1951, and Number of New and Discontinued Businesses, 1944-1950, by States and Regions

	[Thousands]																							
State and region	Firms in operation										New businesses					Discontinued businesses								
	1944	1945	1946	1947	1948	1949	1950	1951	1952	1944	1945	1946	1947	1948	1949	1950	1944	1945	1946	1947	1948	1949	1950	
Continental United States.....	3,022.2	3,219.1	3,446.3	3,639.7	3,963.4	4,173.9	4,468.4	4,647.4	4,844.4	5,044.4	364.4	438.8	619.0	476.4	464.4	324.4	337.5	198.4	202.4	228.4	242.4	271.4	284.3	285.2
New England.....	217.4	225.8	245.4	272.8	276.0	272.3	265.8	259.5	259.5	259.5	17.0	14.4	40.8	24.4	21.4	14.9	21.4	11.3	10.8	18.9	23.1	24.5	22.3	22.3
Connecticut.....	46.5	47.4	53.8	58.8	61.4	60.4	59.3	59.3	59.3	59.3	3.7	2.8	8.3	6.1	4.9	5.0	6.4	2.7	1.3	2.3	3.1	4.0	4.0	4.0
Maine.....	23.0	24.6	26.5	28.3	28.3	28.3	28.3	28.3	28.3	28.3	1.7	2.6	4.7	3.0	2.2	2.3	3.1	1.3	1.5	1.4	2.3	2.0	2.0	2.0
Massachusetts.....	108.3	118.1	118.0	134.8	134.0	132.4	131.7	129.0	129.0	129.0	8.2	10.5	20.7	11.7	10.0	9.0	10.7	4.4	7.1	4.2	3.6	11.3	10.9	10.2
New Hampshire.....	13.8	14.1	15.8	17.5	17.7	17.4	17.0	17.0	17.0	17.0	1.1	1.7	2.8	1.8	1.0	1.4	1.0	.8	.8	.8	1.3	1.7	1.0	1.7
Rhode Island.....	17.0	18.1	20.5	21.4	22.3	22.2	22.4	22.5	22.5	22.5	1.7	3.3	2.8	2.0	1.8	1.0	1.0	.8	.5	1.2	1.1	1.0	1.0	1.0
Vermont.....	6.0	6.2	10.3	13.0	11.3	11.0	10.0	10.8	10.8	10.8	.6	1.2	1.6	1.1	.9	.7	.9	.6	.4	.9	.7	1.0	1.1	.8
Middle East.....	301.6	308.8	329.3	3,045.1	3,047.9	3,045.7	3,047.9	3,047.9	3,047.9	3,047.9	74.1	104.2	147.9	112.2	99.1	82.9	104.5	48.4	60.9	55.4	71.8	58.1	87.2	85.7
Delaware.....	7.4	7.8	9.3	8.8	9.4	9.3	9.0	9.0	9.0	9.0	.5	.8	1.3	1.0	.9	.9	.9	.6	.7	.6	.8	.8	.6	.6
District of Columbia.....	29.2	31.1	31.7	32.0	33.0	33.1	33.4	33.0	33.0	33.0	1.8	1.7	2.0	2.0	2.1	1.9	1.9	1.3	1.4	1.1	1.7	2.0	1.7	1.0
Maryland.....	56.4	41.8	43.0	46.5	51.1	51.7	52.5	53.7	53.7	53.7	3.8	4.3	7.0	6.0	6.5	4.0	5.3	2.3	2.5	2.1	4.0	4.8	4.2	4.0
New Jersey.....	110.7	119.5	131.1	142.7	147.8	147.1	140.4	140.7	140.7	140.7	9.9	12.1	20.0	14.4	12.3	12.2	13.4	8.2	6.8	5.0	8.4	11.0	10.6	11.8
New York.....	428.0	445.2	483.6	516.0	525.7	527.8	540.3	547.2	547.2	547.2	40.0	57.9	78.1	60.0	60.0	60.0	66.0	35.0	20.6	33.1	44.9	45.1	45.2	45.8
Pennsylvania.....	103.9	100.9	110.7	120.3	120.8	120.8	120.8	120.8	120.8	120.8	10.3	20.0	31.0	28.5	23.1	19.4	19.0	8.0	8.0	8.0	10.2	17.0	20.4	17.9
West Virginia.....	27.4	30.4	32.8	30.1	30.4	30.4	30.4	30.4	30.4	30.4	3.7	4.5	8.2	6.0	6.3	3.0	4.1	1.0	2.2	2.1	3.0	3.7	4.4	3.7
Southeast.....	422.6	442.8	464.6	542.3	593.9	639.6	657.5	622.7	611.1	611.1	61.1	65.0	107.7	84.8	72.3	64.3	72.4	30.3	35.8	38.4	44.5	51.5	69.0	59.1
Alabama.....	37.0	39.0	42.0	48.8	49.3	49.3	49.3	49.3	49.3	49.3	4.6	5.1	8.3	5.9	5.3	5.2	5.1	2.7	2.7	2.7	4.0	5.0	6.2	6.0
Arkansas.....	20.1	20.8	21.2	26.3	30.4	34.4	34.6	34.6	34.6	34.6	4.0	4.5	8.0	5.7	3.9	3.3	3.4	2.2	2.2	2.6	2.5	3.1	4.0	3.0
Florida.....	48.2	56.0	60.0	73.4	70.4	81.4	87.8	91.2	91.2	91.2	8.0	11.0	17.7	14.4	14.4	13.0	14.3	4.7	5.0	5.3	8.0	12.4	6.5	9.1
Georgia.....	45.8	50.1	53.0	61.4	62.2	62.2	61.0	61.0	61.0	61.0	6.1	6.7	12.5	7.7	6.3	6.0	6.0	2.8	3.8	4.0	4.8	3.0	9.0	7.3
Kentucky.....	37.8	40.5	44.0	48.7	53.0	53.0	52.3	54.7	54.7	54.7	4.0	4.5	8.0	7.3	6.3	5.2	5.5	2.5	2.9	2.5	3.4	5.1	6.0	3.8
Louisiana.....	33.6	37.7	41.2	45.0	51.0	51.0	51.0	51.0	51.0	51.0	4.3	5.6	10.0	8.1	6.8	6.3	6.0	2.8	3.3	3.7	2.0	5.0	6.4	4.0
Mississippi.....	23.5	25.8	28.1	30.7	32.4	32.0	32.5	33.1	33.1	33.1	3.3	3.9	8.2	4.6	3.3	3.0	3.5	1.3	2.3	2.6	2.5	3.4	2.7	2.8
North Carolina.....	50.9	55.1	57.8	65.7	70.4	72.8	74.7	74.7	74.7	74.7	7.5	8.2	11.9	9.9	7.8	7.4	8.0	2.0	3.4	3.6	4.4	7.8	4.5	6.1
South Carolina.....	26.0	28.0	30.0	32.0	35.0	35.0	35.0	37.0	37.0	37.0	2.9	3.4	5.0	4.0	3.6	3.2	3.2	1.4	1.9	2.2	2.3	3.0	2.9	2.8
Tennessee.....	45.1	49.4	52.4	57.1	59.2	59.2	59.2	60.6	60.6	60.6	6.7	6.9	10.7	7.4	6.3	6.0	6.0	3.2	3.8	4.6	4.8	6.5	5.1	7.1
Virginia.....	48.8	52.0	55.0	61.4	60.4	60.4	60.4	62.4	62.4	62.4	6.4	6.2	10.4	8.0	8.0	7.0	8.2	3.3	3.8	4.3	4.4	6.2	4.6	6.4
Southwest.....	294.1	299.8	295.0	278.1	292.7	291.1	290.1	291.1	291.1	291.1	43.4	41.2	54.4	43.4	33.3	31.3	35.7	16.7	18.9	21.0	28.1	33.0	34.6	30.9
Arizona.....	11.9	12.7	14.8	17.3	18.0	18.0	18.0	18.0	18.0	18.0	2.6	2.6	4.6	4.6	2.3	2.4	2.6	1.9	1.1	1.5	1.8	2.0	3.3	2.8
New Mexico.....	10.4	11.5	13.2	14.6	16.7	16.0	15.9	15.9	15.9	15.9	1.9	2.3	3.0	2.0	2.4	2.0	2.3	1.0	1.3	1.6	1.8	2.0	2.1	2.3
Oklahoma.....	30.6	32.8	35.7	40.7	43.7	43.7	43.7	43.7	43.7	43.7	6.7	6.9	8.8	6.8	6.0	4.7	5.9	2.8	2.8	3.5	4.0	4.8	5.5	6.5
Texas.....	138.9	142.1	178.4	192.9	203.4	202.4	202.4	202.4	202.4	202.4	39.6	39.4	37.2	29.5	24.6	22.1	26.0	12.1	13.7	16.1	20.0	25.2	23.7	20.0
Central.....	493.3	531.4	560.6	607.1	646.6	685.6	724.6	763.6	802.6	841.6	53.3	60.4	141.9	141.9	141.9	64.4	64.4	53.5	49.0	57.8	69.3	91.5	91.8	90.5
Illinois.....	235.5	244.0	260.1	287.7	317.8	347.8	377.8	407.8	437.8	467.8	29.1	30.0	30.1	30.6	30.6	22.7	22.7	15.0	15.0	15.0	15.0	24.4	23.4	23.5
Indiana.....	70.0	84.1	90.5	94.0	97.7	97.7	97.7	97.7	97.7	97.7	7.7	8.3	13.9	10.0	10.0	7.2	8.0	3.7	4.3	4.0	5.7	8.5	8.1	8.3
Iowa.....	61.0	64.0	66.5	73.0	77.3	78.4	78.4	78.4	78.4	78.4	6.0	6.2	9.7	6.7	6.7	4.0	4.9	3.7	3.1	2.9	3.8	6.7	5.6	5.3
Michigan.....	120.3	128.0	142.1	155.4	169.3	179.6	189.6	199.6	209.6	219.6	10.4	10.0	30.7	17.0	17.0	14.3	16.8	6.6	8.2	9.4	11.6	10.1	13.4	12.8
Minnesota.....	69.0	68.1	72.0	79.0	81.7	80.4	79.0	79.0	79.0	79.0	5.9	7.4	10.3	8.2	6.0	6.1	5.9	3.7	3.7	3.2	5.0	7.0	6.3	6.0
Missouri.....	94.0	89.9	103.8	109.4	109.4	109.4	109.4	109.4	109.4	109.4	9.2	10.0	15.0	11.6	11.6	7.9	9.1	6.2	7.3	7.6	8.1	9.2	10.6	9.0
Ohio.....	153.9	162.7	177.2	192.4	198.3	200.3	200.3	200.3	200.3	200.3	18.4	18.2	20.5	20.1	18.9	18.9	18.3	8.1	7.7	8.7	12.2	13.4	14.3	14.0
Wisconsin.....	77.8	81.6	90.0	98.0	98.2	97.6	97.6	97.6	97.6	97.6	7.0	8.0	11.0	8.0	7.2	6.2	6.2	3.7	2.0	2.4	5.8	6.8	7.0	6.0
Northwest.....	170.5	178.6	188.5	216.9	224.8	221.0	222.0	222.0	222.0	222.0	17.4	23.8	35.8	28.0	28.4	18.2	20.6	11.0	10.9	11.9	17.9	21.4	21.0	20.0
California.....	27.2	28.5	32.4	34.0	37.5	37.3	37.3	37.3	37.3	37.3	3.1	4.1	7.1	5.6	4.7	4.1	4.4	2.0	1.9	2.1	4.1	4.3	4.3	4.3
Idaho.....	10.7	11.4	13.3	15.2	16.0	14.2	14.8	14.8	14.8	14.8	1.0	2.1	3.4	2.6	1.7	1.4	1.0	1.0	.9	.9	1.6	2.0	1.7	2.2
Kansas.....	43.4	46.1	53.4	55.2	50.9	53.9	50.9	50.9	50.9	50.9	4.0	6.2	8.5	6.4	4.4	4.7	4.9	2.8	2.5	2.9	4.4	4.0	4.5	3.3
Montana.....	14.0	14.1	16.4	17.8	18.0	18.3	18.3	18.3	18.3	18.3	1.5	2.0	2.8	2.4	1.7									

Geographical Distribution of the Business Population

As has been shown in previous articles on the business population, the long term growth in the number of operating businesses is closely associated both with the growth of the human population and even more closely with income. The geographical distribution of the business population is likewise highly correlated with the geographical distribution of the human population and of income.

Table 2.—Percent Distribution of Number of Firms in Operation Within Each Region by Major Industry Divisions, 1949¹

Region	All industries	Mining and quarrying	Contract construction	Manufacturing	Transportation, communication, and other public utilities	Wholesale trade	Retail trade	Finance, insurance, and real estate	Service industries
United States	100.00	0.89	5.37	7.96	4.76	5.10	42.71	8.69	21.49
New England	100.00	.09	10.30	10.10	5.17	4.40	42.82	7.04	20.23
Middle East	100.00	.89	7.82	9.51	4.63	5.08	39.04	11.08	20.14
Southwest	100.00	.84	7.08	8.03	4.24	4.71	43.42	6.21	23.84
Southwest	100.00	3.01	5.25	4.82	4.11	4.80	43.49	6.20	24.44
Central	100.00	.63	8.28	7.08	4.90	4.86	44.58	9.33	20.27
Northwest	100.00	1.37	7.41	4.63	5.60	5.23	46.06	7.00	23.12
Far West	100.00	.64	10.30	8.34	4.45	4.08	40.81	7.03	22.70

¹ Based on data in tables 1, 6, and 7. All computations were made from unrounded figures.
Source: U. S. Department of Commerce, Office of Business Economics.

The regional and State variations in the number of firms in operation per 1,000 inhabitants can be largely explained by similar variations in income payments per inhabitant. On a per capita basis, both the number of firms in operation and income are markedly high in Nevada, New York, and other Far Western, Northwestern, Middle Eastern, and New England States. With the exception of Florida, the Southeast is low in both per capita firms in operation and per capita income; the Southwestern and Central States are close to the average, or, particularly Illinois, somewhat above average. It is of interest to note that the Southeast, the region with the lowest per capita firms in operation, is the region which has shown the greatest recent relative increases in the business population.

The chart on page 7 depicts the 1949 relationship between the number of firms in operation and total income of individuals (which takes into account the joint effect of the human population and per capita income) by State. The relationship shown in this chart was presented for the year 1948 in the earlier article on the State distribution of the business population two years ago; practically identical results are obtained for each of the two years. The year 1949 is used for the chart because this is the latest year for which final State estimates of the business population are available; however, the relative positions of the States are again virtually the same when preliminary 1950 data are plotted.

The largest positive deviation is found for Florida, where the business population is higher than would be expected on the basis of the relationship with income alone. This is largely a result of the extent to which this State caters to vacationists, particularly in the first quarter of the year to which the business population estimate pertains.

The District of Columbia is farthest below the line of average relationship between income and the number of firms in operation by States—a reflection of the fact that this is a small urban area. Another factor is the extent to which income originates in Government rather than in private firms contained in the business population. When

Table 3.—Percent Distribution of Number of Firms in Operation Within Each Major Industry, by States and Regions, 1949¹

State and Region	All industries	Contract construction	Manufacturing	Transportation, communication, and other public utilities	Wholesale trade	Retail trade	Finance, insurance, and real estate	Service industries	Human population	Total income payments ²
Continental United States	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00
New England	6.86	6.43	3.74	2.47	6.35	8.84	5.24	6.48	6.38	6.71
Connecticut	3.52	2.32	1.77	1.22	1.00	1.57	1.24	1.48	1.35	1.63
Maine	.73	.70	1.51	1.06	.46	.71	.42	.61	.61	.80
Massachusetts	3.33	2.67	3.61	2.68	3.68	3.20	3.85	3.32	3.21	3.49
New Hampshire	.44	.68	.07	.58	.23	.44	.29	.41	.35	.32
Rhode Island	.50	.68	.80	.45	.68	.58	.40	.49	.58	.57
Vermont	.28	.30	.43	.44	.10	.29	.16	.20	.26	.20
Middle East	15.42	26.44	31.43	24.79	30.96	24.14	35.27	24.70	23.60	27.88
Delaware	.33	.33	.18	.28	.10	.24	.30	.20	.21	.27
District of Columbia	.58	.46	.19	.34	.48	.40	1.21	.82	.50	.70
Maryland	1.30	1.61	1.07	1.93	1.20	1.32	1.21	1.27	1.47	1.67
New Jersey	3.70	4.73	4.01	3.84	2.84	3.73	4.01	3.31	3.22	3.80
New York	13.29	10.87	18.58	12.33	18.21	11.11	23.09	12.19	12.47	13.00
Pennsylvania	0.32	7.10	0.41	0.67	0.30	0.28	4.30	0.68	7.61	7.22
West Virginia	1.00	.73	.00	1.46	.70	1.00	.70	.80	1.30	.98
Southeast	15.46	12.61	18.28	13.73	14.22	15.05	16.77	16.95	20.34	15.82
Alabama	1.24	.76	1.54	1.18	1.14	1.33	.88	1.31	1.02	1.17
Arkansas	.50	.67	1.04	.73	.78	1.01	.64	.90	1.29	.73
Florida	2.00	2.36	1.01	1.49	1.88	2.00	1.08	2.47	1.80	1.49
Georgia	1.57	1.11	2.07	1.20	1.00	1.05	1.41	1.70	2.20	1.46
Kentucky	1.33	1.17	1.00	1.43	1.17	1.43	.92	1.34	1.98	1.28
Louisiana	1.31	1.10	1.22	1.23	1.36	1.46	.88	1.25	1.77	1.34
Mississippi	.81	.82	1.03	.63	.78	.94	.39	.78	1.40	.67
North Carolina	1.75	1.40	2.10	1.08	1.70	1.60	1.00	1.66	2.06	1.70
South Carolina	.88	.68	.85	.72	.74	1.03	.66	.96	1.35	.90
Tennessee	1.46	1.12	1.81	1.22	1.43	1.65	1.30	1.57	2.20	1.46
Virginia	1.74	1.84	1.83	2.06	1.38	1.77	1.41	1.77	2.22	1.74
Southwest	7.35	7.48	4.36	6.31	7.63	7.47	5.22	8.67	7.51	6.41
Arizona	.48	.70	.25	.43	.42	.49	.51	.63	.46	.43
New Mexico	.40	.42	.26	.30	.32	.42	.34	.61	.43	.34
Oklahoma	1.24	1.11	.72	1.19	1.32	1.38	1.01	1.64	1.43	1.16
Texas	6.89	5.26	3.06	4.40	4.90	5.18	3.66	5.95	5.16	4.00
Central	27.98	27.30	24.67	22.72	26.79	26.65	29.43	25.65	26.58	28.41
Illinois	8.51	5.68	8.22	6.74	8.44	6.42	12.28	6.18	6.91	7.14
Indiana	2.51	2.55	2.06	2.67	2.66	2.94	2.01	2.25	2.62	2.68
Iowa	4.43	1.85	1.06	3.05	1.88	2.19	1.51	1.71	1.72	1.67
Michigan	4.63	4.31	2.85	2.64	4.30	2.90	4.01	4.22	4.56	4.56
Minnesota	2.67	2.13	2.25	2.38	2.10	1.88	1.25	1.06	1.82	1.82
Missouri	2.78	2.32	2.23	2.88	2.97	2.65	3.15	2.74	2.63	2.55
Ohio	6.65	5.42	4.19	4.79	4.42	5.30	4.12	5.02	5.39	5.70
Wisconsin	2.43	2.74	2.66	2.81	2.06	2.64	1.90	2.23	2.24	2.28
Northwest	5.57	5.20	3.16	6.54	5.73	6.99	4.48	6.73	5.18	4.97
Colorado	.94	1.02	.50	.90	.96	.80	.92	1.07	.84	.80
Idaho	.38	.38	.28	.61	.34	.41	.24	.40	.39	.30
Kansas	1.51	1.18	.72	1.83	1.37	1.55	1.08	1.43	1.25	1.16
Montana	.40	.40	.31	.47	.38	.50	.38	.47	.38	.40
Nebraska	.81	.90	.49	1.22	1.00	1.08	.83	.91	.84	.84
North Dakota	.58	.50	.14	.42	.55	.45	.27	.36	.80	.36
South Dakota	.40	.42	.21	.43	.60	.61	.32	.44	.42	.37
Utah	.37	.48	.27	.28	.58	.30	.33	.40	.40	.42
Wyoming	.22	.24	.11	.50	.16	.22	.16	.25	.19	.21
Far West	11.87	13.38	18.08	16.45	10.28	18.69	9.45	12.37	7.78	11.68
California	2.14	10.68	7.43	6.68	7.02	7.77	6.32	7.07	7.07	8.41
Nevada	.14	.18	.00	.13	.10	.14	.08	.20	.11	.14
Oregon	1.20	1.37	2.24	1.60	1.03	1.18	.88	1.20	1.00	1.06
Washington	1.03	1.74	1.00	1.63	1.50	1.62	1.23	1.64	1.60	1.79
Coefficients of correlation:										
Firms related to income payments	.006	.070	.060	.983	.067	.093	.012	.087	-----	-----
Firms related to human population	.970	.055	.011	.993	.010	.987	.851	.978	-----	-----

¹ Based on data in tables 1, 6, and 7. The percent distribution for the mining and quarrying division is not shown for lack of space; however, the number of firms in this division March 31, 1949, are shown by State in table 7.

² In the case of the District of Columbia, Maine, Maryland, New Hampshire, New Jersey, New York, and Virginia, the income payments figures were adjusted to a resident basis, as noted in footnote 2 to table 9 of "State Income Payments in 1960", Survey of Current Business, August 1961, p. 20.

Source: All data except human population, U. S. Department of Commerce, Office of Business Economics; human population, Bureau of the Census.

retail food (and liquor) firms are plotted against total income payments by States, the deviations for both Florida and the District of Columbia are materially reduced.

Table 3 presents the 1949 percentage distributions of the business population by State within major industry divisions,

Table 4.—Percent Change in Number of Firms in Operation, March 31, 1948, to March 31, 1951, by Major Industry Division and by States and Regions¹

State and region	All industries	Mining and quarrying	Contract construction	Manufacturing	Transportation, communication, and other public utilities	Wholesale trade	Retail trade	Finance, insurance, and real estate	Service industries
Continental United States	8.50	-1.24	18.14	-2.35	7.86	2.88	-1.93	5.43	8.68
New England	-2.34	-15.33	7.73	-8.53	-1.63	1.67	-3.25	-2.97	-4.48
Connecticut	-3.50	-22.29	8.62	-10.76	-1.41	2.14	-4.55	-4.11	-2.93
Maine	3.08	8.82	14.34	6.32	12.20	2.28	-1.41	-1.04	-1.63
Massachusetts	-2.32	-14.28	7.46	-12.87	-1.67	1.63	-3.94	-2.34	-4.07
New Hampshire	-2.76	-21.74	3.89	-1.55	-11.75	-4.30	-3.21	-2.34	-7.58
Rhode Island	1.11	-20.84	15.81	2.25	8.13	0.78	-1.00	2.76	-6.40
Vermont	-4.05	18.18	-3.63	-0.89	-4.31	3.84	-2.82	10.49	-8.03
Middle East	3.61	1.18	18.18	-5.24	18.48	1.28	1.63	1.98	3.85
Delaware	0.37	-145.67	30.02	-1.82	13.04	12.90	4.18	3.18	1.62
District of Columbia	2.89	0	8.69	-1.47	47.67	7.34	-2.69	2.57	3.09
Maryland	5.04	13.79	21.49	-5.06	12.02	3.47	3.34	11.45	1.28
New Jersey	1.86	-8.18	18.09	-2.54	8.05	5.29	-1.01	1.18	1.13
New York	3.90	-11.50	17.78	-5.02	7.09	4.72	4.76	1.81	7.62
Pennsylvania	1.36	0.91	18.83	-0.30	15.58	7.77	-1.14	1.01	1.03
West Virginia	2.00	3.00	18.68	3.00	11.05	3.41	-1.45	3.22	1.90
Southeast	4.88	-13.79	50.11	-1.87	17.22	6.18	1.83	8.75	2.56
Alabama	1.61	-13.60	33.58	-5.40	8.05	2.73	-2.08	11.10	-2.29
Arkansas	-5.57	-3.44	18.04	-5.20	3.66	3.96	-6.41	1.85	-7.71
Florida	14.90	1.64	35.37	8.63	24.51	12.02	11.31	18.67	12.05
Georgia	-1.07	8.22	23.17	-5.45	13.07	-7.78	-3.78	2.33	-3.44
Kentucky	4.65	-20.90	40.22	-4.24	18.62	8.54	2.89	8.05	8.43
Louisiana	1.49	-1.00	12.01	-12.17	15.05	4.54	-1.13	2.74	1.73
Mississippi	2.00	0.88	34.37	-12.89	10.81	4.82	3.30	6.88	2.69
North Carolina	6.37	15.87	30.34	2.38	17.14	3.58	8.95	8.05	3.65
South Carolina	7.30	-5.28	45.41	14.04	28.65	14.88	3.28	11.67	3.45
Tennessee	3.84	-15.31	33.04	-4.28	21.28	2.15	-1.80	8.13	1.83
Virginia	10.80	24.28	25.06	3.72	17.23	8.31	8.23	12.78	7.63
Southwest	7.78	4.68	26.10	-12.82	5.59	3.56	-2.34	8.18	-3.21
Arizona	-5.00	-9.00	-8.86	-13.08	-0.21	7.18	-4.02	-0.87	-7.71
New Mexico	0.63	2.61	28.84	-10.68	11.39	4.15	-3.10	20.70	-4.67
Oklahoma	-7.74	0.30	33.12	-5.88	4.14	1.40	-5.68	8.68	-3.13
Texas	1.82	4.67	32.24	-13.42	10.42	3.60	-1.90	8.14	-2.10
Central	-0.94	1.68	18.51	-9.66	5.62	1.98	-3.32	-1.67	-1.62
Illinois	-3.73	4.81	10.85	-13.28	4.18	-1.25	-5.61	-5.62	-2.59
Indiana	-3.07	7.50	16.12	-10.68	1.45	0.89	-5.68	2.67	-5.25
Iowa	-3.83	-5.22	17.24	-14.48	2.27	-0.65	-7.07	1.44	-4.91
Michigan	3.28	0	18.88	-7.19	12.03	5.63	-1.35	1.28	7.50
Minnesota	-2.87	10.34	22.12	-6.28	1.27	1.01	-5.70	-1.68	-5.28
Missouri	-2.33	-1.18	15.70	-6.61	2.07	1.60	-5.06	1.45	-3.67
Ohio	3.45	2.68	31.09	-4.70	18.24	4.81	-1.55	1.08	4.55
Wisconsin	-1.72	-10.41	12.44	-9.99	-3.86	2.75	-5.13	2.54	1.65
Northwest	-1.16	2.26	28.71	-12.73	2.55	0.61	-4.46	3.48	-4.75
Colorado	-1.27	0.15	28.84	-10.34	2.26	0.87	-3.83	1.57	-3.10
Idaho	-5.07	-25.41	8.87	-22.82	2.93	3.83	-8.18	2.63	-7.06
Kansas	2.67	7.22	44.08	-4.55	9.22	3.43	-1.21	7.03	-4.86
Montana	-1.88	-5.32	23.28	-15.25	-1.56	-1.02	-6.03	4.20	1.82
Nebraska	-3.08	8.24	18.05	-12.00	-1.21	-2.10	-6.24	-1.20	-5.80
North Dakota	-4.24	-13.33	31.68	-13.33	-5.68	-4.65	-7.16	-1.11	-9.86
South Dakota	-2.21	-20.41	34.78	-7.84	-5.06	3.11	-6.62	8.19	-7.33
Utah	-1.35	-3.28	10.18	-6.28	8.38	6.87	-5.43	7.52	-6.91
Wyoming	-1.02	12.06	36.82	-21.63	7.07	-2.04	-6.19	6.61	-4.80
Far West	-4.31	-8.83	7.38	-13.52	3.89	1.19	-7.55	1.58	-3.65
California	-4.30	-5.17	8.13	-15.81	2.90	-0.97	-7.49	-1.31	-2.84
Nevada	-10.88	-18.27	-9.26	-25.82	-4.73	2.54	-13.00	-4.06	-10.08
Oregon	-1.21	-28.00	18.12	-2.44	12.90	4.90	-4.58	3.62	-3.62
Washington	-6.80	-18.88	9.70	-17.18	-1.34	-1.78	-10.62	6.13	-7.67

¹ Based on data in tables 1 and 5. All computations were made from unrounded figures. Source: U. S. Department of Commerce, Office of Business Economics.

and, for comparative purposes, the distributions of the human population and of total income of individuals. Even a casual inspection of this table brings out the close correlation between the distributions of income and of the human population and the distribution of firms in operation not only for the business population as a whole but also for most of the major industry divisions.

The coefficients of correlation for the relationships between the distributions of firms and of income payments and the human population are shown at the bottom of table 3. For all firms and for each industry division shown, the correlation between firms and income is slightly closer than the correlations between number of firms and the human population.

The best relationship between firms and income payments is found in the case of the business population as a whole, suggesting a compensating effect on the distribution of firms by industries within areas where concentrations of particular types of industries occur. When firms and the human population are correlated, the relationships for both retail trade and the service industries are slightly better than for

the business population as a whole—a not surprising result in view of the necessity for direct and frequent contact between consumers and the firms operating in these fields. However, even in these two industry divisions, a closer correlation exists with income.

Industrial differences within regions

Mining and quarrying is the only major industry division for which firms and income fail to correlate closely—a result which is hardly surprising. Although at least some quarrying firms are found in every State, the distributions of firms producing crude petroleum or mining coal or metal ores are obviously primarily related to the geographical distribution of the natural resources involved.

All other major industry divisions, however, are too broad to reveal clearly geographical areas of industrial specialization. For example, the financial centers in New York City and Chicago do raise the percentage of firms found in the finance, insurance and real estate group in the States of New York and Illinois, but the inclusion of firms soliciting insurance and selling real estate in this industry division preserves

a fairly close relationship with income as well as with the human population.

The industrial detail provided by table 7, though still fairly broad, is somewhat more satisfactory in this respect. Thus, the concentrations of apparel manufacturers in New York and of metal working firms in the Central States are apparent. Concentrations of lumber and lumber products firms occur in New England, the Southeast and the Far West, particularly in Washington and Oregon. The State distributions of firms in the other broad manufacturing categories as well as of firms in the various lines of retail trade, on the other hand, tend to follow the over-all patterns.

Table 5.—Entrance and Discontinuance Rates: Number of New and Discontinued Firms per 1,000 Firms in Operation March 31, by States and Regions, 1945-50¹

State and region	Entrance rates						Discontinuance rates					
	1946	1947	1948	1949	1950	1950*	1946	1947	1948	1949	1950	1950*
Continental United States	134	176	124	102	98	100	63	64	76	83	97	92
New England	108	166	95	77	73	87	50	43	62	60	91	83
Connecticut	131	133	104	76	83	92	28	43	55	85	110	92
Maine	103	177	104	76	76	104	13	33	30	80	78	77
Massachusetts	63	174	87	76	68	91	10	30	43	85	82	77
New Hampshire	125	180	104	92	78	95	41	62	68	90	112	96
Rhode Island	125	135	95	80	72	86	10	60	32	72	97	80
Vermont	128	158	104	77	62	81	47	62	65	83	97	70
Middle East	129	156	110	88	88	94	59	55	71	91	82	86
Delaware	101	150	131	94	84	98	78	82	67	91	69	45
District of Columbia	81	121	80	60	55	80	60	52	74	89	73	68
Maryland	103	158	121	107	95	102	60	47	81	94	81	80
New Jersey	120	134	101	83	83	90	57	45	60	81	72	79
New York	130	161	100	60	94	102	60	69	65	84	86	86
Pennsylvania	100	143	112	92	77	79	40	45	43	71	81	71
West Virginia	147	180	154	136	98	106	72	65	72	93	112	95
Southeast	148	215	151	122	107	123	77	77	79	104	98	97
Alabama	120	210	121	120	107	100	68	64	69	115	127	103
Arkansas	157	222	161	106	94	99	67	33	20	130	114	113
Florida	210	270	197	182	150	163	61	80	100	136	79	104
Georgia	133	223	132	78	66	131	76	75	70	57	145	119
Kentucky	130	182	150	121	90	111	71	63	70	87	113	97
Louisiana	150	242	175	134	108	115	87	80	67	86	124	115
Mississippi	150	210	140	103	93	107	91	92	81	104	53	87
North Carolina	95	195	149	111	105	109	62	63	60	104	70	70
South Carolina	122	187	147	104	92	116	69	74	71	87	83	79
Tennessee	141	190	130	107	94	114	77	89	84	97	86	113
Virginia	118	197	145	133	101	118	73	74	72	80	68	90
Southwest	170	213	184	120	107	123	82	98	103	115	119	107
Arizona	204	269	257	167	125	138	87	122	94	145	160	151
New Mexico	190	262	171	134	123	137	116	122	106	120	130	157
Oklahoma	169	177	131	92	89	112	63	73	97	90	104	104
Texas	181	260	152	121	100	124	84	90	103	114	117	90
Central	111	143	100	87	74	83	67	68	83	84	84	80
Illinois	104	118	88	82	69	79	53	43	61	83	86	89
Indiana	110	134	115	89	72	82	61	63	71	89	91	95
Iowa	95	136	89	76	60	68	48	40	61	74	75	84
Michigan	133	159	113	112	91	104	66	66	74	90	84	83
Minnesota	108	141	104	74	63	74	62	40	60	85	79	78
Missouri	101	145	105	70	72	86	74	73	76	84	94	91
Ohio	113	130	104	65	63	86	47	48	68	85	91	73
Wisconsin	109	123	83	70	63	84	62	60	69	71	72	72
Northwest	193	198	159	93	87	94	59	68	82	85	95	91
Colorado	142	218	154	126	111	115	66	65	113	114	116	110
Idaho	187	243	156	112	92	125	85	71	115	130	113	149
Kansas	125	163	116	77	65	87	64	64	80	81	80	80
Montana	120	172	123	92	81	98	68	68	74	89	94	100
Nebraska	118	163	106	78	60	73	61	67	71	89	78	87
North Dakota	100	136	102	76	78	71	56	44	58	73	110	74
South Dakota	97	133	126	82	78	77	65	60	53	63	76	64
Utah	140	227	168	94	88	109	71	61	83	107	102	98
Wyoming	102	182	140	113	104	112	62	67	82	109	128	108
Far West	230	243	176	134	133	124	81	83	102	127	153	132
California	206	244	183	134	115	121	81	81	103	124	150	130
Nevada	261	300	206	133	132	125	121	111	176	200	182	182
Oregon	222	254	184	100	110	105	90	84	102	128	138	140
Washington	222	228	152	111	102	119	67	87	86	124	122	131

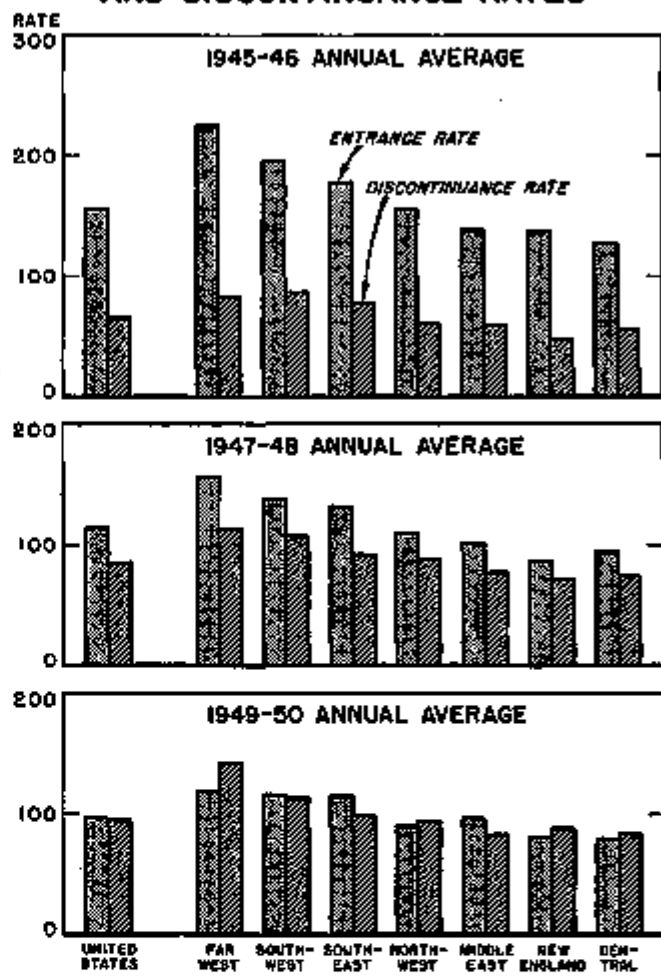
* Preliminary.

¹ Based on data in table 1. All computations were made from rounded figures.

Source: U. S. Department of Commerce, Office of Business Economics.

Differences in the industrial composition of firms within the regions are also brought out by table 2 which presents for each region the percent distribution of the business population by major industry divisions. The greatest relative variation is found in the mining and quarrying division with the proportion of such firms in the Southwest and the North-

REGIONAL CHANGES IN ENTRANCE AND DISCONTINUANCE RATES



west exceeding the national proportion by substantial amounts. The proportions of construction firms are high in New England and the Far West, while the Southwest and Northwest contain small proportions of manufacturers. The Middle East and Central States are the only regions which show higher than average proportions of finance, insurance and real estate firms. The proportions of all firms engaged in trade and in the service industries show little variation among the regions.

Recent Regional Changes in the Business Population

In the previous article on the State distribution of the business population two years ago, the percent changes in number of firms in operation from March 31, 1944, to March 31, 1949, were charted and analyzed by major industry division and by region. That period encompassed the rapid growth of the business population following the low point which had been reached during World War II. The business population as a whole increased by more than 30 percent, and with a few exceptions in the mining and quarrying division, each region showed significant increases in the number of firms in operation within each industry group; the Far West, Southwest and Southeast showed by far the greatest relative gains, with the Central States, Middle East and New England increasing less than average.

The chart on page 8 highlights the industrial and regional changes which have occurred since 1948, during a period when the business population as a whole has been characterized by relative stability. Between March 31, 1948, and March 31, 1951, the total number of firms in operation increased only 0.6 percent; three regions showed over-all increases—the Southeast, Middle East, and the Southwest in that order. The Far West, on the other hand, which had led the advance during the earlier period, now shows the largest decline.

If the 1948-51 period is considered in two parts, the first, 1948-50, comprising the time during which the business population followed changes in business activity closely, and the second, 1950-51, the period during which the 5 percent gap developed between the actual and expected number of operating businesses, the picture is much the same though a few differences emerge. The Middle East showed the second highest gains both for the over-all period and for the early part; however, after the beginning of 1950, the Middle East dropped to fourth place, the Southwest and Northwest both having slightly larger relative gains. Although the

latter two regions and the Central States declined between 1948 and 1950, since the first quarter of 1950 the downward trend in all of these regions has been reversed. The Far West and New England, on the other hand, continued slightly down.

Regional changes among major industries

The regional changes which have occurred since 1948 among the major industry divisions are depicted in the chart on page 8. In five of the industry divisions—contract construction; wholesale trade; transportation, communication and other public utilities; finance, insurance and real estate; and the service industries—the number of firms in operation increased within the United States as a whole between March 31, 1948, and the end of the first quarter of 1951, but only in the first two of these were increases shown by each of the regions. The total number of firms operating in mining and quarrying, retail trade and manufacturing is currently lower than in 1948, but only in manufacturing is this true for each of the regions.

Table 6.—Number of Firms in Operation Mar. 31, by Major Industry Divisions, and by States and Regions, 1944-51

(Thousands)

State and Region	Contract construction						Manufacturing						Wholesale trade					
	1944	1945	1946	1947	1948	1949	1944	1945	1946	1947	1948	1949	1944	1945	1946	1947	1948	1949
Continental United States	149.1	162.4	228.5	280.5	315.1	312.4	260.4	272.3	242.0	255.9	281.8	338.6	331.1	317.6	302.6	306.7	341.1	358.9
New England	14.0	15.1	19.9	24.7	26.3	28.0	28.3	22.0	23.0	25.9	29.5	29.0	27.7	26.5	27.1	35.5	18.2	18.8
Connecticut	3.7	4.0	5.4	6.0	7.3	7.7	7.0	7.8	3.6	2.7	4.3	4.5	4.9	4.7	5.3	4.4	1.6	1.8
Maine	1.1	1.2	1.6	2.1	2.2	2.3	2.4	2.5	4.0	4.2	4.5	5.3	4.9	4.8	5.5	1.0	1.0	1.0
Massachusetts	6.9	7.5	9.2	11.0	12.0	12.9	12.8	12.6	9.9	10.3	11.2	12.0	12.5	12.1	11.4	10.0	6.8	6.5
New Hampshire	.9	.9	1.3	1.7	1.8	1.8	1.9	1.0	1.0	1.7	1.0	1.2	2.2	2.1	2.0	.4	.4	.5
Rhode Island	1.0	1.1	1.6	1.9	2.1	2.3	2.4	2.4	1.7	1.0	2.5	2.7	2.7	2.7	2.8	.8	1.0	1.0
Vermont	.4	.5	.7	.9	1.0	1.0	1.0	1.0	1.2	1.3	1.4	1.5	1.5	1.4	1.2	.2	.2	.3
Middle East	44.1	46.6	60.5	71.9	78.1	83.2	87.8	92.3	79.8	83.0	94.0	104.3	102.1	99.9	97.7	97.7	59.6	66.2
Delaware	.5	.6	.7	.8	1.0	1.1	1.3	1.3	.5	.5	.6	.8	.0	.0	.0	.2	.2	.3
District of Columbia	1.1	1.2	1.4	1.6	1.7	1.8	1.8	1.8	.5	.5	.6	.6	.6	.6	.6	.8	.8	.9
Maryland	2.0	2.7	3.0	4.0	4.0	5.3	5.4	6.0	2.8	2.9	3.1	3.4	3.4	3.3	3.2	2.1	2.1	2.3
New Jersey	8.9	9.1	12.0	13.9	14.9	16.7	18.8	17.8	10.1	10.3	11.4	12.0	13.0	12.7	12.6	12.7	4.0	4.4
New York	18.4	19.0	25.3	29.7	31.4	33.5	36.4	37.0	47.0	50.3	58.4	63.6	61.7	60.0	58.3	64.1	32.4	36.0
Pennsylvania	11.7	12.3	16.1	19.5	23.0	23.6	26.6	27.7	15.7	16.4	17.0	20.3	20.6	20.3	19.5	19.3	10.5	10.8
West Virginia	1.0	1.1	1.6	1.0	2.2	2.4	2.5	2.7	2.1	2.4	2.7	3.1	3.1	3.1	2.9	2.2	.0	1.0
Southeast	14.6	17.7	25.3	33.1	38.4	41.9	46.6	51.3	51.9	49.4	44.8	53.2	53.5	51.7	50.1	52.6	37.2	39.5
Alabama	1.0	1.2	1.7	2.2	2.4	2.5	2.9	3.1	3.5	4.0	4.3	6.3	6.3	6.0	4.9	4.9	1.4	1.0
Arkansas	.0	.8	1.2	1.6	1.9	1.0	2.1	3.2	2.0	3.3	2.8	3.7	3.6	3.3	3.1	2.3	.0	1.0
Florida	2.2	3.0	4.5	6.2	7.8	7.0	9.3	10.4	2.5	2.6	4.3	4.0	6.1	5.1	5.4	5.6	2.0	2.5
Georgia	1.4	1.6	2.4	3.2	3.5	3.7	4.9	4.4	4.5	4.1	6.8	6.8	6.0	6.0	6.0	6.5	2.0	2.3
Kentucky	1.4	1.5	2.3	2.9	3.4	3.0	4.2	4.6	2.5	2.6	2.8	3.3	3.3	3.2	3.0	3.1	1.0	1.7
Louisiana	1.1	1.5	2.2	2.6	3.5	3.6	3.9	3.9	2.4	3.0	3.1	3.6	3.0	2.9	3.0	3.4	1.6	1.8
Mississippi	.6	.7	1.0	1.4	1.6	1.7	2.0	3.1	2.6	3.0	2.2	2.9	3.0	3.4	3.2	3.4	.0	1.0
North Carolina	1.7	2.0	2.7	3.7	4.4	4.7	5.3	6.8	5.6	6.3	6.0	8.2	8.1	7.6	7.8	8.3	2.2	2.4
South Carolina	.8	.8	1.2	1.6	1.9	2.2	2.4	2.8	2.1	2.6	2.0	3.0	3.2	3.1	3.2	2.7	.0	1.1
Tennessee	1.5	1.8	2.4	3.0	3.6	3.7	4.2	4.8	3.8	3.6	4.3	6.0	4.9	4.8	4.7	4.7	1.9	2.1
Virginia	2.5	2.8	3.7	4.7	5.0	6.1	6.5	7.0	4.3	4.7	4.0	5.7	5.0	4.8	5.0	5.9	3.2	2.1
Southwest	7.7	11.4	15.4	20.7	24.8	34.9	27.3	30.8	8.9	10.3	11.8	13.9	14.0	13.4	12.4	12.2	8.4	10.6
Arizona	.4	.6	1.4	1.9	2.4	2.3	2.2	2.2	.3	.5	.6	.7	.8	.7	.7	.7	.4	.5
New Mexico	.4	.8	.8	1.3	1.3	1.4	1.6	1.7	.4	.6	.6	.7	.7	.5	.6	.6	.0	.0
Oklahoma	1.4	1.8	2.8	3.2	3.7	3.7	4.4	4.9	1.7	1.8	2.0	2.3	2.2	2.3	2.2	2.1	1.3	2.0
Texas	5.5	8.2	11.5	14.4	16.7	17.5	19.2	22.0	6.4	7.4	8.5	10.3	10.2	9.8	9.0	8.9	5.9	7.2
Central	47.2	58.4	65.7	77.8	85.6	96.7	94.9	105.9	64.7	67.6	74.3	81.5	80.8	77.7	73.2	73.2	49.7	45.4
Illinois	12.2	12.8	15.7	17.1	19.1	19.0	20.1	21.2	10.4	17.0	18.7	20.4	20.5	19.8	18.2	17.8	11.0	11.8
Indiana	3.7	4.3	5.7	6.7	7.8	8.5	8.6	8.9	4.0	5.2	5.9	6.6	6.5	6.3	6.0	5.8	3.2	3.4
Iowa	3.1	3.3	4.2	5.1	5.8	6.1	6.5	6.9	3.8	3.8	3.5	3.6	3.7	3.4	3.2	3.1	3.2	3.3
Michigan	7.7	7.6	10.6	12.5	14.2	14.3	15.4	15.8	10.4	10.8	11.8	13.4	13.3	12.7	12.1	12.4	5.3	5.6
Minnesota	3.0	3.5	4.6	5.7	6.5	7.1	7.6	8.0	5.2	5.5	6.0	6.5	6.5	6.1	5.7	5.9	3.2	3.4
Missouri	4.1	4.6	6.8	8.8	7.3	7.7	7.9	8.6	6.0	6.2	6.9	7.5	7.3	7.0	6.5	6.6	4.8	6.1
Ohio	8.6	8.6	12.3	15.0	17.0	18.0	19.3	20.8	11.6	12.1	13.0	14.0	14.4	14.3	13.8	13.8	9.0	7.4
Wisconsin	4.7	5.1	6.8	8.1	8.9	9.1	9.4	10.0	7.1	7.4	8.5	8.8	8.7	8.1	7.8	7.8	3.1	3.4
Northwest	6.7	7.7	11.2	14.5	16.7	17.5	19.3	21.5	7.4	8.3	9.4	10.7	10.9	10.1	9.5	9.6	8.9	5.4
Colorado	1.5	1.4	2.1	2.9	3.3	3.4	3.7	4.2	1.4	1.6	1.8	2.1	2.2	2.1	1.9	1.8	1.2	1.4
Idaho	.2	.4	.8	1.1	1.3	1.3	1.4	1.5	.6	.7	.9	1.0	1.1	.0	.1	.9	.4	.4
Kansas	1.0	1.5	2.5	3.2	3.7	3.9	4.5	5.3	1.3	1.9	2.3	2.4	2.4	2.3	2.1	2.3	2.3	2.3
Montana	.4	.6	.8	1.1	1.3	1.3	1.6	1.6	.7	.8	.9	1.1	1.2	1.0	.9	1.0	.6	.0
Nebraska	1.4	1.4	2.0	2.6	3.0	3.0	3.2	3.5	1.3	1.4	1.5	1.6	1.6	1.5	1.5	1.4	1.8	1.0
North Dakota	.3	.4	.5	.7	.8	.9	.9	1.0	.4	.4	.4	.5	.5	.4	.4	.4	1.1	1.1
South Dakota	.3	.5	.8	1.0	1.2	1.4	1.6	1.6	.6	.6	.7	.7	.7	.7	.6	.6	.9	.9
Utah	.7	.7	1.0	1.4	1.5	1.5	1.6	1.8	.6	.6	.7	.8	.8	.6	.6	.6	.5	.5
Wyoming	.8	.5	.5	.5	.7	.8	.9	1.0	.8	.3	.3	.4	.4	.3	.3	.2	.2	.2
Far West	14.9	19.5	28.5	36.5	43.9	46.2	46.4	47.1	22.8	25.7	26.2	37.2	39.7	37.1	34.1	34.3	15.5	13.5
California	11.4	14.5	20.9	28.0	35.1	35.2	34.9	36.1	14.8	16.8	16.7	23.9	24.9	23.8	20.7	20.6	8.8	10.4
Nevada	.2	.3	.4	.6	.6	.6	.6	.6	.1	.1	.2	.2	.2	.2	.2	.1	.1	.1
Oregon	1.3	1.7	2.8	3.8	4.3	4.5	4.6	4.6	4.0	4.3	4.0	7.0	7.1	7.1	6.8	7.5	1.1	1.2
Washington	2.0	2.9	4.4	5.7	5.9	5.8	6.3	6.5	4.0	4.4	4.4	6.8	7.2	6.7	6.7	6.9	1.7	2.0

Table 6.—Number of Firms in Operation Mar. 31, by Major Industry Divisions, and by States and Regions, 1944-51—Continued
(Thousands)

State and Region	Retail Trade								Service Industries								All other Industries ¹							
	1944	1945	1946	1947	1948	1949	1950p	1951p	1944	1945	1946	1947	1948	1949	1950p	1951p	1944	1945	1946	1947	1948	1949	1950p	1951p
Continental United States	1,372.8	1,453.6	1,548.6	1,646.0	1,749.5	1,846.9	1,938.9	1,976.8	847.8	898.8	955.8	1,024.4	1,094.5	1,153.9	1,214.4	1,267.2	400.0	492.3	571.8	658.4	749.9	849.4	952.9	1,051.9
New England	100.9	103.4	105.4	117.2	118.4	115.7	115.9	114.6	44.7	46.3	48.5	55.0	58.5	55.1	54.6	54.9	27.1	28.9	30.4	33.4	33.5	33.6	32.9	33.0
Connecticut	22.0	22.6	23.7	26.3	27.2	26.8	26.1	25.0	8.3	8.6	11.2	12.4	13.1	12.9	12.6	12.6	5.0	5.3	5.3	5.7	5.6	5.6	5.3	5.4
Maine	10.8	11.0	11.4	12.3	12.1	12.0	12.0	12.2	4.4	4.5	4.9	5.5	5.9	5.2	5.2	5.3	2.3	2.7	3.2	3.3	3.5	3.6	3.6	3.6
Massachusetts	48.4	50.0	51.6	57.1	56.6	54.3	53.9	54.0	22.8	23.0	24.4	28.2	27.9	27.4	27.0	26.8	14.8	15.1	15.0	17.0	17.0	17.0	17.4	17.2
New Hampshire	3.4	3.4	3.9	7.4	7.6	7.4	7.3	7.3	2.0	2.0	2.2	3.0	3.5	3.3	3.3	3.3	1.7	1.9	2.0	2.2	2.1	2.1	2.0	2.0
Rhode Island	8.6	8.9	9.4	9.6	9.9	9.6	9.9	9.8	3.4	3.5	3.9	4.1	4.3	4.2	4.2	4.1	1.7	1.9	2.0	2.2	2.2	2.2	2.3	2.3
Vermont	3.9	4.0	4.4	4.6	4.8	4.7	4.8	4.7	2.0	2.0	2.2	2.2	2.3	2.2	2.1	2.1	1.1	1.2	1.3	1.4	1.4	1.4	1.4	1.4
Middle East	333.1	349.0	371.6	398.2	418.4	443.7	417.0	418.9	164.9	173.2	185.2	199.4	216.9	211.4	217.7	218.9	157.8	163.6	171.2	178.1	161.6	162.4	154.9	166.0
Delaware	3.0	3.0	3.0	3.0	3.1	3.1	3.1	3.1	1.0	1.0	1.1	1.1	1.1	1.1	1.1	1.1	1.4	1.4	1.4	1.6	1.6	1.6	1.7	1.7
District of Columbia	7.4	7.5	7.7	8.1	8.2	8.1	8.0	8.0	3.0	3.0	3.1	3.1	3.1	3.1	3.1	3.1	4.2	4.4	4.4	4.7	4.7	4.7	4.8	5.0
Maryland	19.6	19.0	20.1	21.3	22.2	22.4	22.7	22.0	8.0	8.0	8.9	9.9	10.9	11.0	10.8	10.9	8.6	8.6	8.6	9.0	9.0	9.0	9.1	9.3
New Jersey	43.4	54.1	58.0	62.2	64.3	63.5	64.3	63.7	22.1	22.3	24.9	27.3	28.4	28.2	28.5	28.4	18.2	18.9	20.0	21.0	21.4	21.2	21.0	22.1
New York	181.3	191.0	172.0	184.2	187.8	188.6	184.0	180.6	62.0	62.0	64.9	68.1	102.2	104.1	108.0	110.0	92.0	93.3	98.0	103.7	103.0	103.7	104.7	105.3
Pennsylvania	67.9	90.3	95.7	103.0	107.7	106.3	107.0	106.5	38.3	40.3	43.9	47.6	52.1	51.9	52.4	52.1	30.2	31.4	32.0	34.1	33.4	34.2	34.0	37.5
West Virginia	12.6	13.4	14.2	15.0	17.0	17.0	16.8	16.6	6.7	6.2	6.0	7.1	7.7	7.0	7.0	7.7	5.2	5.3	5.0	7.1	8.0	8.1	8.2	8.4
Southeast	267.9	222.2	233.6	257.6	279.5	272.1	273.7	275.4	96.7	102.8	115.9	128.2	138.3	138.9	137.9	138.1	47.3	53.1	57.9	64.1	67.6	68.2	70.5	74.3
Alabama	18.2	19.1	20.0	22.4	22.0	22.6	21.9	23.1	8.5	9.4	11.2	11.2	11.2	11.2	10.8	11.0	4.1	4.5	4.9	5.9	5.7	5.8	5.9	6.1
Arkansas	14.1	13.9	15.8	17.3	17.3	17.1	16.0	16.2	6.1	6.8	7.1	7.8	8.1	7.9	7.7	7.5	2.9	2.9	3.1	3.4	3.5	3.6	3.6	3.8
Florida	25.4	24.8	27.8	31.3	33.2	34.0	30.4	37.0	13.9	14.4	16.4	18.7	20.3	21.1	22.3	22.6	6.8	6.8	7.7	8.8	9.3	9.6	10.4	11.3
Georgia	23.3	23.0	24.0	27.0	28.0	28.0	27.4	27.6	11.0	12.3	12.6	14.2	14.5	14.5	14.1	14.0	4.0	4.0	4.6	5.1	5.3	5.3	5.3	5.8
Kentucky	18.3	18.1	20.4	22.2	23.0	24.0	23.7	24.3	8.7	9.3	9.9	10.9	11.3	11.3	11.2	11.7	3.4	3.4	3.6	7.4	8.4	8.1	7.9	8.3
Louisiana	17.5	19.2	20.1	21.7	23.9	24.5	24.3	24.9	7.2	8.1	8.7	9.8	10.9	11.0	11.1	11.1	3.8	4.5	4.9	5.7	6.2	6.1	6.2	6.7
Mississippi	12.9	13.9	14.6	15.3	16.2	16.0	15.2	16.2	4.8	5.4	5.9	6.3	6.6	6.7	6.8	6.8	1.8	2.1	2.4	2.6	2.6	2.6	2.7	2.9
North Carolina	20.0	23.9	25.4	28.9	30.7	30.5	31.6	31.8	12.5	13.6	14.0	16.9	18.9	17.0	17.4	17.5	4.8	5.3	5.7	6.8	6.7	6.8	7.2	7.6
South Carolina	13.9	14.7	15.3	16.7	17.6	17.4	17.5	18.0	6.8	6.3	6.7	7.1	7.9	7.6	7.7	7.9	2.4	2.5	2.8	3.1	3.2	3.3	3.4	3.7
Tennessee	22.0	24.4	24.1	27.1	28.0	28.0	27.9	28.5	10.5	11.7	12.1	12.6	13.4	13.4	13.5	13.5	5.1	5.8	6.1	6.3	6.5	6.5	6.8	7.2
Virginia	21.7	23.0	24.6	26.0	28.2	30.0	30.5	31.5	11.0	12.0	12.7	13.5	14.3	15.1	15.5	15.4	6.8	7.4	7.9	8.4	9.1	9.0	10.0	10.6
Southwest	26.8	196.4	114.9	123.2	128.8	138.9	125.9	134.4	53.8	61.3	64.8	71.3	75.1	74.1	73.7	73.7	24.8	39.5	33.7	38.9	37.5	37.0	38.4	40.1
Arizona	5.6	5.9	6.4	7.4	8.3	8.8	8.0	7.9	3.4	3.7	4.1	4.8	5.5	5.4	5.3	5.2	1.2	1.4	1.0	1.8	2.0	1.9	1.9	2.0
New Mexico	5.1	5.1	5.1	6.7	7.0	7.1	7.0	6.8	3.0	3.1	3.6	4.0	4.3	4.4	4.3	4.1	1.3	1.4	1.5	1.7	1.8	1.9	2.0	2.0
Oklahoma	18.4	20.0	22.1	23.4	23.9	23.5	22.9	22.9	9.9	11.1	12.1	12.8	13.4	13.2	13.7	13.7	6.4	6.8	7.4	7.8	7.9	7.9	8.0	8.4
Texas	67.4	74.0	80.2	85.6	89.0	87.6	87.1	96.3	43.4	49.5	48.6	51.3	51.1	51.1	50.7	50.7	17.1	20.9	23.2	24.6	26.7	26.8	28.0	27.8
Central	433.9	430.5	461.8	468.7	495.5	489.4	490.9	476.1	177.8	187.4	202.3	218.3	224.2	222.1	221.4	222.2	138.5	146.2	153.9	160.4	163.6	162.5	161.5	163.1
Illinois	67.4	100.9	104.7	108.7	111.7	100.0	108.2	103.5	45.0	47.0	49.9	53.2	55.7	52.5	51.5	52.5	33.3	34.4	36.2	38.0	37.5	36.9	36.4	38.0
Indiana	41.1	43.6	46.0	47.2	48.9	48.1	46.9	45.8	18.0	17.3	18.5	20.4	20.4	20.1	20.1	20.1	19.3	20.2	20.9	21.7	22.4	22.4	22.4	22.7
Iowa	31.2	32.1	34.3	36.7	37.2	36.3	35.2	34.3	11.8	12.3	13.5	14.4	14.8	14.5	14.2	14.2	8.0	8.9	9.8	10.5	11.2	11.4	11.3	11.4
Michigan	63.5	64.0	68.1	74.2	75.3	74.5	74.5	75.0	28.0	26.7	29.4	32.4	35.5	34.2	35.1	34.0	18.1	18.6	18.0	18.2	17.0	16.8	17.0	17.9
Minnesota	32.3	32.5	34.4	36.4	37.5	36.7	36.0	35.3	12.9	13.3	14.3	15.8	16.1	15.5	15.2	15.2	8.7	9.5	9.9	10.5	10.8	10.8	10.7	10.8
Missouri	43.5	45.2	46.4	47.7	48.9	48.5	48.0	48.4	20.9	21.3	22.8	23.8	23.8	23.4	22.7	23.0	15.2	15.2	15.3	16.5	17.1	16.9	16.7	17.3
Ohio	75.9	78.7	82.1	88.7	90.4	90.9	89.7	89.9	38.9	38.7	37.7	40.4	42.2	42.9	42.9	44.2	20.1	21.9	22.3	24.4	25.0	25.1	27.1	27.1
Wisconsin	38.6	39.0	42.8	45.4	46.4	44.8	43.0	44.1	14.8	15.4	16.4	17.2	18.9	19.9	19.1	19.1	9.8	10.9	11.0	12.3	12.4	12.4	12.4	12.3
Northwest	63.9	54.6	54.4	161.2	103.7	101.7	99.8	99.1	37.9	38.7	44.5	45.7	48.7	48.9	46.1	47.9	24.3	27.8	28.5	30.9	31.6	31.3	31.3	32.5
Colorado	17.0	12.4	13.8	15.9	15.2	15.2	14.8	14.7	8.9	7.1	8.0	8.7	9.2	9.3	9.0	9.0	4.4	4.8	5.1	5.7	5.6	5.6	5.6	5.9
Idaho	5.4	5.9	6.2	6.9	7.0	7.0	6.7	6.5	2.5	2.7	2.1	2.6	3.4	3.4	3.3	3.3	1.5	1.6	1.7	2.0	2.0	2.0	2.0	2.0
Kansas	23.0	22.2	26.2	28.5	27.0	26.8	25.5	26.9	9.1	9.3	11.2	12.3	12.6	12.6	12.1	12.1	6.0	7.0	7.7	8.2	8.2	8.2	8.2	8.2
Montana	7.0	7.3	7.8	8.4	8.7	8.5	8.4	8.3	3.3	3.4	2.7	3.9	4.0	4.1	4.1	4.1	2.4	2.6	2.6	2.6	2.6	2.6	2.6	2.6
Nebraska	15.8	15.0	17.9	18.6	18.7																			

Table 7.—Number of Firms in Operation March 31, by Selected Major and Minor Industries, and by States and Regions, 1949

(Thousands)

State and Region	Mining and quarrying	Manufacturing							Transportation, communication, and other public utilities	Retail Trade								Finance, insurance, and real estate
		Total	Food	Textiles, apparel, and leather	Lumber and wood products	Printing and publishing	Metal and metal products	Other manufacturing		Total	General merchandise	Food and liquor	Apparel and accessories	Automotive	Eating and drinking places	Filling stations	Other retail trade	
Continental United States.....	35.9	317.4	32.5	48.3	80.7	46.3	57.8	61.4	189.2	1,685.0	73.7	479.7	87.7	78.8	331.8	228.8	411.8	345.1
New England.....	3.3	37.7	1.8	4.1	7.8	3.8	5.4	4.7	14.1	115.7	5.6	35.8	8.2	4.8	18.2	14.3	28.9	28.2
Connecticut.....	0.1	4.7	0.3	0.7	1.5	0.6	1.8	0.9	2.3	20.0	0.9	7.9	2.0	1.2	4.8	3.4	5.3	4.3
Maine.....	(1)	0.5	0.3	0.3	0.7	0.2	0.3	0.2	0.1	12.0	0.9	4.0	0.7	0.6	1.3	1.0	2.9	1.5
Massachusetts.....	0.1	12.1	1.0	3.2	1.4	1.8	2.8	2.2	8.0	55.3	2.2	17.6	4.2	2.0	8.7	6.5	19.1	10.5
New Hampshire.....	(1)	2.1	0.1	0.8	1.3	0.2	0.2	0.2	1.1	7.4	0.5	2.3	0.5	0.9	1.0	1.9	1.9	1.0
Rhode Island.....	(1)	2.7	0.2	0.6	1.1	0.2	0.6	1.0	0.9	6.6	0.4	2.9	0.5	0.4	2.0	1.2	2.2	1.4
Vermont.....	(1)	1.4	0.1	0.1	0.8	0.1	0.1	0.2	0.8	5.7	0.6	1.3	0.3	0.2	0.6	0.6	1.3	0.6
Middle East.....	10.4	90.8	6.7	31.4	12.5	33.5	16.4	19.1	69.7	409.7	34.4	194.4	32.5	14.6	60.8	40.3	96.6	121.7
Delaware.....	(1)	0.0	0.1	0.1	0.1	0.1	0.1	0.1	0.4	4.0	0.2	1.1	0.3	0.2	0.7	0.0	1.1	1.1
District of Columbia.....	(1)	0.0	0.1	(1)	(1)	0.3	0.1	0.1	0.0	8.1	0.2	3.0	0.7	0.2	1.4	0.7	1.9	4.2
Maryland.....	0.2	3.4	0.8	0.8	0.7	0.0	0.0	0.6	3.1	22.4	1.1	7.2	1.3	0.0	4.0	2.7	4.0	3.9
New Jersey.....	0.1	12.7	0.8	3.8	0.9	1.4	2.1	2.7	7.3	82.4	1.9	19.1	4.5	2.2	13.0	7.7	14.2	13.9
New York.....	0.9	69.0	2.8	23.1	4.8	8.1	8.4	11.8	23.3	188.8	5.7	64.2	17.4	5.4	28.4	14.3	45.1	79.4
Pennsylvania.....	0.1	20.3	2.2	4.0	4.0	2.7	3.9	3.5	13.2	100.3	3.9	31.1	7.5	4.7	21.0	12.0	25.9	18.9
West Virginia.....	0.0	3.1	0.3	(1)	0.0	0.3	0.2	0.3	2.7	17.0	1.5	4.8	0.9	1.0	3.1	2.3	3.4	2.4
Southeast.....	5.1	51.7	5.8	8.5	28.4	5.1	3.4	4.9	29.8	272.1	22.6	77.0	12.4	15.2	46.8	48.8	64.3	37.2
Alabama.....	0.0	4.9	0.4	0.2	3.2	0.4	0.3	0.3	2.2	22.9	2.6	6.6	1.0	1.3	2.8	3.2	5.4	5.0
Arkansas.....	0.0	3.8	0.4	(1)	2.5	0.3	0.1	0.2	1.4	17.1	1.9	4.7	0.8	1.1	2.4	2.4	2.9	1.9
Florida.....	0.1	5.1	0.6	0.2	2.1	0.7	0.0	0.9	2.3	34.0	1.4	8.4	2.0	1.7	7.1	5.0	8.4	5.7
Georgia.....	0.0	5.6	0.6	0.6	3.7	0.6	0.4	0.6	2.3	28.0	2.3	8.3	1.3	1.7	3.2	4.4	6.9	3.6
Kentucky.....	0.0	3.2	0.5	0.1	1.4	0.5	0.2	0.4	2.0	24.5	1.9	7.0	1.1	1.2	4.3	3.0	4.5	3.2
Louisiana.....	0.0	3.9	0.7	0.1	1.8	0.4	0.1	0.4	2.5	16.0	2.1	7.2	1.0	1.2	1.9	3.1	3.8	3.0
Mississippi.....	0.1	3.4	0.3	0.2	2.4	0.3	0.1	0.2	1.2	16.0	2.1	4.1	0.6	1.0	1.9	2.5	2.7	1.4
North Carolina.....	0.1	7.0	0.7	1.2	4.1	0.8	0.4	0.8	3.2	26.5	2.3	8.4	1.6	1.9	2.8	5.2	7.7	3.0
South Carolina.....	(1)	3.1	0.3	0.3	1.9	0.2	0.1	0.3	1.4	17.4	1.5	5.4	0.8	1.1	1.7	2.3	4.1	1.9
Tennessee.....	0.4	4.8	0.6	0.4	3.3	0.6	0.4	0.6	2.3	28.0	2.2	8.8	1.2	1.6	4.3	2.8	6.7	3.6
Virginia.....	0.7	5.8	0.6	0.2	2.8	0.6	0.3	0.5	3.0	38.0	2.5	8.5	1.5	1.5	4.3	5.0	8.7	4.0
Southwest.....	7.6	11.4	2.5	0.7	3.4	2.3	2.0	2.0	12.4	128.9	7.1	32.2	4.8	8.4	22.8	21.2	39.4	18.0
Arizona.....	0.3	0.8	0.0	(1)	0.3	0.2	0.1	0.2	0.6	8.3	0.6	1.6	0.3	0.6	2.0	1.3	1.6	1.1
New Mexico.....	0.3	0.6	0.1	(1)	0.3	0.1	0.1	0.1	0.7	7.1	0.6	1.6	0.3	0.4	1.5	1.2	1.5	0.8
Oklahoma.....	0.2	2.3	0.5	0.1	0.4	0.6	0.4	0.3	2.2	23.5	1.4	4.5	1.0	1.8	4.0	3.7	6.2	3.5
Texas.....	4.0	9.8	1.7	0.6	2.0	2.0	1.4	1.5	8.3	87.0	4.7	32.2	3.3	8.8	15.2	16.0	28.6	12.0
Central.....	5.8	77.7	10.4	4.9	13.4	14.4	21.7	13.8	54.4	489.4	19.2	173.9	24.7	23.9	104.9	67.5	119.3	102.2
Illinois.....	1.4	19.8	2.0	2.0	2.1	3.8	6.0	3.9	12.8	109.0	5.4	31.0	0.8	4.4	25.6	13.8	25.0	42.4
Indiana.....	0.6	6.8	0.8	0.2	1.2	1.1	1.7	1.2	4.9	48.1	1.8	13.4	2.1	2.4	8.7	7.5	12.3	6.0
Iowa.....	0.4	3.4	0.3	0.1	0.4	1.0	0.0	0.5	5.3	37.2	1.8	8.3	1.0	1.9	0.8	5.8	10.9	6.2
Michigan.....	0.4	12.7	1.1	0.4	3.0	1.7	4.0	1.9	8.4	74.5	2.5	28.0	3.7	2.0	15.3	13.3	17.1	10.0
Minnesota.....	0.2	8.1	1.1	0.3	1.6	1.2	1.0	0.9	4.8	35.7	2.1	0.8	1.7	1.6	0.8	5.3	0.6	8.8
Missouri.....	0.8	7.0	0.8	0.3	1.3	1.5	1.3	1.3	4.3	48.8	2.7	12.5	2.5	2.5	0.0	8.7	11.9	10.9
Ohio.....	2.1	14.8	1.5	0.8	1.9	2.4	4.7	3.0	9.1	100.9	3.9	27.7	4.2	4.4	18.3	11.6	21.8	14.2
Wisconsin.....	0.2	8.1	1.7	0.4	1.9	1.2	1.8	1.2	5.3	46.8	1.9	11.8	2.2	1.9	11.0	5.6	10.8	0.0
Northwest.....	2.5	10.1	2.2	0.3	2.1	2.8	5.3	1.3	12.4	101.7	6.1	23.1	4.2	6.1	28.9	16.0	28.3	18.5
Colorado.....	0.7	3.1	0.3	0.1	0.4	0.5	0.4	0.4	1.7	16.2	0.6	3.7	0.7	0.0	2.0	2.3	4.3	3.2
Idaho.....	0.3	0.9	0.2	0.1	0.4	0.2	0.1	0.1	1.0	7.0	0.4	1.6	0.3	0.4	1.3	1.0	2.0	0.8
Kansas.....	1.4	3.8	0.6	0.1	0.2	0.8	0.4	0.3	3.4	30.3	1.1	5.9	1.1	1.8	4.4	4.1	7.5	3.7
Montana.....	0.5	1.0	0.2	(1)	0.6	0.2	0.1	0.1	0.9	8.5	0.4	1.8	0.4	0.4	2.3	1.3	2.0	1.2
Nebraska.....	0.1	1.5	0.4	(1)	0.1	0.6	0.2	0.2	2.3	18.8	0.8	4.3	0.7	1.1	3.4	2.6	5.2	2.0
North Dakota.....	0.1	0.4	0.1	(1)	0.2	0.2	(1)	(1)	0.8	7.0	0.8	1.7	0.3	0.4	1.4	1.0	2.2	0.9
South Dakota.....	(1)	0.7	0.2	(1)	0.1	0.8	(1)	0.1	1.2	8.7	0.6	1.8	0.3	0.6	1.5	1.4	2.0	1.1
Utah.....	0.3	0.8	0.2	(1)	0.1	0.2	0.1	0.1	0.5	6.4	0.3	1.5	0.3	0.3	1.1	1.2	1.5	1.1
Wyoming.....	0.2	0.4	0.1	(1)	0.1	0.1	(1)	0.1	0.0	3.7	0.2	0.8	0.3	0.2	0.8	0.9	0.9	0.6
Far West.....	2.4	37.1	3.4	2.8	12.7	5.8	7.4	6.6	19.8	121.3	5.9	47.2	18.4	7.8	25.2	27.0	43.7	31.3
California.....	1.9	31.6	2.3	3.0	4.2	3.7	6.3	4.0	12.8	133.0	4.0	34.8	8.1	5.8	22.2	19.0	31.3	23.3
Nevada.....	0.2	0.2	(1)	(1)	0.1	0.1	(1)	(1)	0.3	2.3	0.1	0.1	0.1	0.1	0.7	0.3	0.5	0.3
Oregon.....	0.1	7.1	0.4	0.1	0.1	0.6	0.9	0.4	8.4	10.6	0.5	4.8	0.8	1.0	4.2	2.0	6.0	3.0
Washington.....	0.3	6.2	0.6	0.2	2.4	0.7	0.8	0.6	3.0	37.6	1.0	7.2	1.3	1.2	6.1	3.0	6.9	4.0

1 Less than .50. Note.—Detail will not necessarily add to totals because of rounding. Source: U. S. Department of Commerce, Office of Business Economics.

outlets enumerated by the Bureau of the Census in 1939 as well as in 1947 or 1948. The broad outlines of the regional changes which have occurred in the business population over this period may be indicated by the changes which have occurred in the number of census establishments despite differences in industry definitions and scope between the two sets of data as well as between censuses taken in different years, so that census and OBE data show somewhat different relative changes for the country as a whole.

On a regional basis, Census information shows that the fastest growing regions from 1939 to 1947 (for manufacturing) and to 1948 (for trade and services) have been the Southeast where the number of establishments increased 17 percent and the Far West with an increase of 11 percent. Two regions increased moderately, the Southwest by 7 percent and the Middle East by 3 percent; New England remained practically unchanged, while the number of establishments in the remaining two regions declined, by 2 per-

cent in the Central States and 5 percent in the Northwest. The order of the regions from high to low relative changes in number of Census establishments followed the over-all pattern closely in each of the industry divisions for which information is available except in the case of wholesale trade where the largest gains were made in the Middle East and New England.

Business Turnover by State

The annual number of new and discontinued businesses, 1944-50 are shown by State and region at the right in table 1. The purchase and sale of an existing firm is regarded as a business transfer, and is excluded from both the new and the discontinued businesses series. Discontinued businesses contain all other closures regardless of reason, while new businesses include newly established firms. For the years shown in the table, the over-all number of new businesses

was highest in 1946; the number of new businesses decreased in each of the next three years but increased in 1950 to very nearly the 1948 level. Each of the regions and most of the States reflected this pattern of movements in the number of new businesses.

In 1944 business discontinuances were a little more than half the number started; during the next two years, discontinued businesses increased gradually while new businesses increased sharply so that in 1946 about one-third as many businesses were discontinued as were established. By 1947 the number of discontinued businesses was three-fifths the number of new businesses; the number of business discontinuances increased in 1948 and again in 1949 so that over the latter year business deaths exceeded business births and the business population declined. In 1950 the number of discontinued businesses decreased from the previous year, but exceeded the 1944 number by more than four-fifths. In most of the regions and a high proportion of the States the number of discontinued businesses moved in the same way as the national total; however, in the Southeast and Northwest, business discontinuances were more numerous in 1948 than in any of the other years shown.

Entrance and discontinuance rates

For many purposes of comparison, business turnover rates are more useful than the total number of new and discontinued businesses. Table 5 shows the annual number of new and discontinued businesses per 1,000 firms in operation March 31, for each of the years 1945-50. It is of interest to note that States and regions which have higher than average entrance rates in one year tend to have higher rates in each of the years shown, and that higher than average

entrance rates tend to be associated with higher than average discontinuance rates. This latter relationship follows from the fact that discontinuance rates are highest for new firms and decrease as the age of firms increase.

The tendency for discontinuance rates to follow the same regional pattern as entrance rates and for this pattern to persist over time is brought out strikingly by the chart on page 12 which shows two-year averages of business turnover rates by regions for the period 1945-50. During the earliest two-year period shown, 1945-46, the business population was increasing rapidly; entrance rates were higher and discontinuance rates lower than in either of the following two-year periods, during which the business population leveled off and became relatively stable.

The arrangement of the regions in the chart is according to entrance rates in the 1945-46 period. If the arrangement were based upon entrance rates in one of the other periods, or upon discontinuance rates during any one of the three periods, the order of the regions would not have been much different.

Although the business population in the Far West has declined in recent years, the entrance rate for this region has continued well above the national average. The continuing gains of the business population in the Southeast, on the other hand, are as much a reflection of lowered discontinuance rates as of a continuing high entrance rate. The average 1949-50 discontinuance rate for the Southeast was lower than that for any other region; although the entrance rate in this region was still slightly exceeded in both the Far West and Southwest, the differences among the entrance rates of these three regions during this time were quite small.

Defense Program Progress Report

(Continued from page 4)

fewer than 500 persons. The proposed investment of these firms, however, accounted for only one-tenth of the total \$8.2 billion investment under tax amortization certificates.

Aircraft largest defense industry

The distribution of all prime defense contracts by industries is not available at this time. The distribution of the Munitions Board's list of the 100 largest contractors by industry classification, however, provides a useful indicator of the economic impact of the defense program on a few important industries, since as previously indicated the value of these contracts constitutes more than three-fifths of the total prime contracts let in fiscal year 1951. A further limitation of this classification is the fact that the subcontracts flowing from the prime contractors are not covered. These, of course, flow widely throughout industry.

On the basis of the industry classification of the 100 largest contractors, it is clear that the impact of the defense program has been particularly pronounced in the case of the aircraft industry. This industry received about \$7 billion in prime contracts during fiscal year 1951, or more than one-third of the total prime contracts received by the 100 largest contractors. Employment in the aircraft industry has doubled while the average hours worked per week were increased by 7 percent.

Large contracts to auto and machinery industries

The motor vehicle industry received over \$4 billion of prime contracts during fiscal year 1951. The impact of this

volume of orders is not so clear-cut in this industry as in the case of the aircraft producers. Material shortages have resulted in curtailment of automobile production which has not as yet been offset by increases in military production. The period from June 1950 to October 1951 was marked by about a 14 percent decline in the number of production workers in the automobile industry with average hours worked per week declining by more than 7 percent during this period.

The electrical machinery industry is the third major industry receiving a significant proportion of Defense Department prime contracts. With work in progress on over \$2 billion in prime contracts awarded during the last fiscal year, employment in this industry has increased by almost one-fifth. Producers of machinery other than electrical were awarded prime contracts totaling more than one billion. The railroad equipment industry's share amounted to almost one billion in the first year of the Korean war. Employment in both these industries advanced about 20 percent during the first 16 months of the mobilization program.

Total manufacturing employment in the United States increased about 8 percent on an unadjusted basis from June 1950 to November 1951 with the larger relative increase concentrated in the durable goods industries. Employment has increased from 10 to 20 percent in the industries receiving a significant proportion of the total military prime contracts, the major exceptions to this range of increase being with the automobile and aircraft industries.